

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

| Representatives Present During the Inspection: | | | | | | |
|--|---|---|--|--|--|--|
| Company | Gregg Galecki Environmental Coordinator | • | | | | |
| OGM | Karl Houskeeper Environmental Scientist III | - | | | | |

Inspection Report

| Permit Number: | C0070005 |
|------------------|---------------------------|
| Inspection Type: | PARTIAL |
| Inspection Date: | Friday, November 09, 2007 |
| Start Date/Time: | 11/9/2007 8:30:00 AM |
| End Date/Time: | 11/9/2007 2:00:00 PM |
| Last Inspection: | Friday, October 12, 2007 |

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Clear, Temp. 46 Deg. F. InspectionID Report Number: 1460

Types of Operations

Accepted by: dhaddock

11/26/2007

Permitee: CANYON FUEL COMPANY LLC Operator: CANYON FUEL COMPANY LLC

Site: **SKYLINE MINE**

Address: HC 35 BOX 380, HELPER UT 84526

County: CARBON

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

Current Acreages

| 374.00 Total P | ermitted |
|----------------------|----------|
| 79.12 Total D | isturbed |
| Pha | se l |
| Pha | se II |
| Pha | se III |

Mineral Ownership

| • | 7 , |
|------------------|---------------|
| ✓ Federal | ✓ Underground |
| ✓ State | Surface |
| \Box County | ☐ Loadout |
| ✓ Fee | Processing |
| Other | Reprocessing |

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The following permit conditions have been met or are being met:

- 1) Water Monitoring data is being submitted in an electronic format to the Division.
- 2) Canyon Fuel Co. must submit all existing studies and data for the update of the PHC as a result of the mine inflows.
- 3) Canyon Fuel Co. must submit cumulative monthly flow data for discharges into Electric Lake and Eccles Creek.

Inspector's Signature:

Karl Houskeeper, Environmental Scientist III

Date

Friday, November 09, 2007

Inspector ID Number: 49

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

Permit Number: C0070005 Inspection Type: PARTIAL

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- 3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
- 4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

| | | Evaluated | Not Applicable | Comment | Enforcement |
|------|---|--------------|----------------|----------|-------------|
| 1. | Permits, Change, Transfer, Renewal, Sale | \checkmark | | ✓ | |
| 2. | Signs and Markers | ✓ | | ✓ | |
| 3. | Topsoil | | | | |
| 4.a | Hydrologic Balance: Diversions | V | | ✓ | |
| 4.b | Hydrologic Balance: Sediment Ponds and Impoundments | ✓ | | V | |
| 4.c | Hydrologic Balance: Other Sediment Control Measures | | | | |
| 4.d | Hydrologic Balance: Water Monitoring | ✓ | | V | |
| 4.e | Hydrologic Balance: Effluent Limitations | | | | |
| 5. | Explosives | ✓ | | | |
| 6. | Disposal of Excess Spoil, Fills, Benches | | | | |
| 7. | Coal Mine Waste, Refuse Piles, Impoundments | ✓ | | | |
| 8. | Noncoal Waste | V | | | |
| 9. | Protection of Fish, Wildlife and Related Environmental Issues | | | | |
| 10. | Slides and Other Damage | | | | |
| 11. | Contemporaneous Reclamation | | | | |
| 12. | Backfilling And Grading | | | | |
| 13. | Revegetation | | | | |
| 14. | Subsidence Control | | | | |
| 15. | Cessation of Operations | | | | |
| 16.a | Roads: Construction, Maintenance, Surfacing | | | | |
| 16.b | Roads: Drainage Controls | | | | |
| 17. | Other Transportation Facilities | | | | |
| 18. | Support Facilities, Utility Installations | | | | |
| 19. | AVS Check | | | | |
| 20. | Air Quality Permit | | | | |
| 21. | Bonding and Insurance | | | | |
| 22. | Other | | | | |

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1. Permits, Change, Transfer, Renewal, Sale

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2. Signs and Markers

The Mine ID signs are at the point of public access to the permit area and contain the required information. All other signs and markers are in accordance with the coal rules.

4.a Hydrologic Balance: Diversions

Several sections of pipe were observed in a diversion. Gregg Galecki indicated that he would have the pipe removed immediately.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The sediment ponds have all been cleaned.

4.d Hydrologic Balance: Water Monitoring

Third quarter 2007 water monitoring information is in the EDI website, but has not been uploaded. Water monitoring is current.